

# MEMORANDUM

Agenda Item No. 8(K)(4)

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**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** June 30, 2015

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Resolution authorizing the County Mayor to submit on behalf of Miami-Dade County a Capital Fund Financing Program application to the United States Department of Housing and Urban Development to develop a financing structure for the most advantageous use of such Program's funds, subject to United States Department of Housing and Urban Development's approval; and directing the County Mayor to seek Board approval for authorization to apply for, receive and expend any bonds or loans and to execute any agreements that may be required

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The accompanying resolution was prepared by Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Economic Prosperity Committee.

  
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R. A. Cuevas, Jr.  
County Attorney

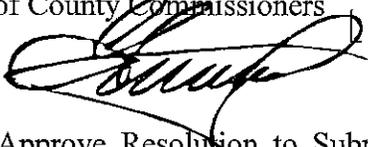
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# Memorandum



**Date:** June 30, 2015

**To:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Recommendation to Approve Resolution to Submit a Capital Fund Financing Program Application to United States Department of Housing and Urban Development and to Develop a Financing Structure for the Program

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## **Recommendation**

It is recommended that the Board of County Commissioners (“Board”) approve the attached resolution authorizing the County Mayor or the County Mayor’s designee to submit on behalf of Miami-Dade County (“County”), a Capital Fund Financing Program (the “Capital Program”) application to the United States Department of Housing and Urban Development (“Housing and Urban Development”). It is also recommended that the Board authorize the County Mayor or the County Mayor’s designee to develop a financing structure for the most advantageous use of the Capital Program, subject to Housing and Urban Development’s approval. Finally, it is recommended that the Board direct the County Mayor or the County Mayor’s designee to seek Board approval to apply for, receive and expend any bonds or loans in which the capital fund grants received by the County are pledged to pay debt service, and to execute any financing agreements or other agreements.

## **Scope**

The County has public housing sites spanning the entirety of Miami-Dade County; therefore, the impact of this agenda item is countywide in nature.

## **Fiscal Impact/Funding Source**

It is anticipated that in the event Housing and Urban Development approves the County’s Capital Program application and financing structure, the estimated fiscal impact to the County would be a \$45 million bond or loan, which, if the Board approves in the future, will be repaid using a portion of the capital funds received from Housing and Urban Development, subject to such funds availability. Notwithstanding the potential fiscal impact, the fiscal impact to the County related to the development and submittal of the application to Housing and Urban Development, to include post application approval services, is estimated at approximately \$400,000.00 over three (3) years for the services required from a financial advisory firm procured through the County’s Expedited Purchasing Program (EPP) and a legal advisory firm selected from the County’s bond counsel pool.

## **Track Record/Monitor**

Christina Salinas Cotter, Chief Financial Officer for the Public Housing and Community Development Department (“Department”), will monitor the performance of this application.

**Background**

Under the Capital Program, a public housing authority may borrow, subject to Housing and Urban Development's written approval and available appropriations, private capital to make improvements to its public housing stock and pledge, subject to the availability of appropriations, a portion of its future year annual Capital Fund Program grant allocation ("Capital Fund") to make debt service payments for either a bond or conventional bank loan transaction. Housing and Urban Development's approval is required for any Capital Program transactions which pledge, encumber, or otherwise provide a security interest in public housing assets or other property, including Capital Funds.

The County owns over 100 public housing sites with capital improvement needs estimated at \$346 million. Over the past (5) years, the Department has received Housing and Urban Development Capital Fund Grants averaging approximately \$10 million per year. As such, the Department is constantly seeking ways to maximize resources in an effort to fund ongoing modernization and rehabilitation activities. Accordingly, the Department is seeking to maximize its Capital Fund Grant allocation by taking advantage of the Capital Program. The Department is currently in the process of procuring a financial advisory firm through the County's Expedited Purchasing Program and a legal advisory firm selected from the County's bond counsel pool, respectively, to provide services to include, but not limited to, assisting with the development and submittal of the Capital Program application; negotiating on the Department's behalf during Housing and Urban Development's application review and approval process; providing post application approval services; and assisting in developing and preparing the financing structure for the most advantageous use of the Capital Program. The capital raised from an approved financing structure under the Capital Program will be used to rehabilitate/upgrade existing public housing units, remove and replace obsolete public housing units, increase the number of units on its under-utilized sites, and permit commercial and other special purpose uses where appropriate.

One of the projects that the County wishes to redevelop through this financing program is the Liberty Square public housing site. On February 2, 2015, the County Mayor announced the kick-off of the Liberty City Rising redevelopment initiative. This initiative includes the redevelopment of the existing 709 dwelling units, a phased rebuilding plan, including the Lincoln Gardens site, and, ultimately, will consist of public housing units and mixed-income units. The Liberty City redevelopment initiative has a schedule with an initial ground breaking within the next 18-24 months.

Approval of this resolution is being requested in order to solely authorize the County Mayor or the County Mayor's designee to submit the Capital Program application to Housing and Urban Development in order to take advantage of the current favorable market conditions that may allow the County to leverage approximately \$45 million in private investment for public housing, of which at least \$8 million will be designated for public housing in Liberty

Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners  
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City. In the event Housing and Urban Development approves the County's Capital Program application, the County administration intends to return to the Board for further approval to apply for, receive and expend a bond or loan, and to seek other approvals as may be required.



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Russell Berford, Deputy Mayor



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** June 30, 2015

**FROM:**   
R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 8(K)(4)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_\_, 3/5's \_\_\_\_\_, unanimous \_\_\_\_\_) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 8(K)(4)  
6-30-15

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SUBMIT ON BEHALF OF MIAMI-DADE COUNTY A CAPITAL FUND FINANCING PROGRAM APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO DEVELOP A FINANCING STRUCTURE FOR THE MOST ADVANTAGEOUS USE OF SUCH PROGRAM'S FUNDS, SUBJECT TO UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S APPROVAL; AND DIRECTING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO SEEK BOARD APPROVAL FOR AUTHORIZATION TO APPLY FOR, RECEIVE AND EXPEND ANY BONDS OR LOANS AND TO EXECUTE ANY AGREEMENTS THAT MAY BE REQUIRED

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated in this Resolution by reference; and

**WHEREAS**, Miami-Dade County has over 100 public housing sites with capital improvement needs estimated at \$346 million; and

**WHEREAS**, under United States Department of Housing and Urban Development's ("Housing and Urban Development") Capital Fund Financing Program (the "Capital Program"), a public housing authority may borrow private capital to make improvements to its public housing stock and pledge, subject to the availability of federal appropriations, a portion of its future year annual capital fund grant (the "Capital Fund") allocation to make debt service payments for either a bond or conventional bank loan; and

**WHEREAS**, Miami-Dade County has made a commitment to implement the Liberty City Rising initiative that includes a complete redevelopment of the public housing facilities in

the area and revitalization of the surrounding community requiring funding from a variety of funding sources one of which may be, if authorized, from the Capital Program; and

**WHEREAS**, this Board desires to submit a Capital Program application to Housing and Urban Development seeking approval to raise private capital in an amount estimated at approximately \$45 million,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board:

**Section 1.** Incorporates and approves the foregoing recitals as if fully set forth herein.

**Section 2.** Authorizes the County Mayor or County Mayor's designee to submit a Capital Program application to Housing and Urban Development and to develop a financing structure for the most advantageous use of the Capital Program, subject to Housing and Urban Development's approval. Further and in the event Housing and Urban Development approves the County's Capital Program application, this Board directs the County Mayor or the County Mayor's designee to seek Board approval for authorization to apply for, receive and expend any bonds or loans in which the Capital Fund grant are pledged to make debt service payments on such bonds or loans, and to execute any related financing agreements and other agreements that may be required.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman  
Esteban L. Bovo, Jr., Vice Chairman

Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 30<sup>th</sup> day of June, 2015. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



Terrence A. Smith